

The examiner cited Lee as discussing determining that an illegal process has been performed with the card when the non-authentication balance is larger than the authentication balance. (Office Action, p. 3). Lee discusses a two-level authentication process that includes two separate authentications, specifically, a low level authentication and a high level authentication (Lee, col. 7, lines 18-22; col. 8, lines 47-50; col. 9, lines 45-46). It appears that the examiner is incorrectly interpreting the two-level authentication process of Lee as discussing the two stored balances of the present invention, i.e., the authentication balance and the non-authentication balance.

However, in contrast to the claimed invention, Lee only discusses a single stored value on the card 12, which is stored in ROM 18, and which is accessed by stored value application program 13 (Lee, col. 4, lines 37-42). During the low-level authentication process, Lee discusses determining whether the value that is stored in ROM 18 is sufficient to pay the requested value of the item to be purchased (Lee, col. 7, lines 18-22). However, the requested value is not a separate value that is stored on the card 12. Lee only discusses one stored value, not two. Lee does not disclose or suggest comparing one stored balance (value) with another stored balance (value), as recited in independent claims 1, 10, 17, 24, and 36. Therefore, Lee cannot disclose, as the examiner asserts, comparing one stored balance to another stored balance.

Therefore, the Applicants respectfully assert that the claimed invention, which recites determining that an illegal process has been performed with the card when the non-authentication balance is larger than the authentication balance, is patentably distinguishable over the cited references, taken alone or in combination.

The Applicants note a variety of typographical errors in the Office Action. Specifically, the examiner listed claims 1-33 as the only pending and rejected claims on the Office Action Summary (however, claims 1-36 are pending). In addition, the examiner noted that claim "136" was added as requested on page 2 (however, claim 36 was added in the June 25, 2003 Amendment). Further, the examiner referred to claims 1-35 as being rejected under § 103(a) on page 2 (however, the examiner later gave his detailed reasons for rejecting claims 1-36). The Applicants thank the examiner for his hard work on the subject application and respectfully request that the examiner exert more caution in the future in order to maintain the integrity of the record.

**CONCLUSION**


Withdrawal of the foregoing rejections is respectfully requested.

There being no further objections or rejections, it is submitted that the application is in condition for allowance, which action is courteously requested. Finally, if there are any formal matters remaining after this response, the examiner is requested to telephone the undersigned to attend to these matters. If there are any additional fees associated with filing of this Response, please charge the same to our Deposit Account No. 19-3935.

Respectfully submitted,

STAAS & HALSEY LLP

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By:   
Matthew Q. Ammon  
Registration No. 50,346

1201 New York Avenue, N.W., Suite 700  
Washington, D.C. 20005  
(202) 434-1500